

December 19, 2014

Via Email and U.S. Mail

Charles Coleman
Anaconda Project Manager
US EPA Region VIII, Montana Office
10 West 15th Street, Suite 3200
Helena, Montana 59626

Andrew J. Lensink, Esq.
Assistant Regional Counsel
Environmental Protection Agency Region 8
1595 Wynkoop Street
Denver, Colorado 80202-1129

Re: Recent EPA and CDM Smith Correspondence re: *Arsenic Source Investigation Interpretive Analysis*

Gentlemen:

Atlantic Richfield is in receipt of recent EPA and CDM Smith correspondence regarding arsenic source investigations at the Anaconda Regional Water, Waste & Soils Operable Unit (ARWW&S OU). On November 20, 2014, Mr. Lensink provided the following three documents via e-mail: (1) a letter dated November 20, 2014 from Mr. Lensink to William Duffy; (2) an Addendum to the October 31, 2013 Agency Interpretive Report prepared by CDM Smith; and (3) a letter dated November 18, 2014 from CDM Smith to EPA responding to a June 22, 2014 analysis submitted by EnSci Inc. on behalf of Atlantic Richfield.

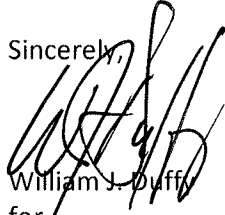
Please understand that Atlantic Richfield disagrees with EPA's and CDM Smith's comments and stated rationale. The Company believes the interpretive analysis and technical memoranda provided under my June 24, 2014, letter are sound. We believe that EPA's reliance upon the generalized Conceptual Site Model (CSM) to explain arsenic concentrations at depth ignores the location of mine waste impacts (confined to Waste Management Areas) as well as data which shows the limited vertical extent of smelter-related arsenic impacts outside the WMAs; conclusions which are grounded in basic arsenic fate and transport theory. In addition, EPA mischaracterizes the nature of Atlantic Richfield's use of temperature variations in the overall analysis. That statistical analysis relied on relative concentrations of trace elements, and the reference to a relationship to temperature was a separate observation not required to support source differentiation. Atlantic Richfield believes there are other deficiencies in EPA's and CDM Smith's analysis, and Atlantic Richfield reserves its right to comment further on these documents.

Separate from EPA's letter and technical reports described above, Atlantic Richfield received the Agency White Paper captioned Anaconda Domestic Well Plan (November 20, 2014) from CDM Smith via email dated November 26, 2014. The Agency's proposal for a long-term, domestic well program is under review. Atlantic Richfield commits to provide comments on the Agency proposal in January 2015. Mr. Thun and Atlantic Richfield further commit to work with EPA and Montana DEQ to develop a scientifically-sound, equitable, and cost-effective programmatic approach that allows the parties to set

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aside their very different assessment of the extent of naturally occurring arsenic impacts in Anaconda-area groundwater.

Sincerely,

A handwritten signature in black ink, appearing to read "WJ Duff", is written over the word "Sincerely," and the name "William J. Duff".

William J. Duff

for

DAVIS GRAHAM & STUBBS LLP

cc: Julie DalSoglio
Joe Vranka
John Sither, Esq.
Joel Chavez
Katherine Haque-Hausrath, Esq.
Patricia Gallery
Roy Thun
James Chatham
Jill Kelley, Esq.
John Davis, Esq.